



MEMORANDUM OF UNDERSTANDING
BETWEEN
SUSTAINABLE FORESTRY INITIATIVE, INC.
AND
SFI IMPLEMENTATION COMMITTEES

This Memorandum of Understanding (MOU) provides structure and consistency to the operation of the Sustainable Forestry Initiative® (SFI) program SFI® Implementation Committees¹.

I. HISTORY

SFI program participants established state SFI Implementation Committees (SICs) in 1995 and the first provincial SIC in 2001, providing a strong foundation for the SFI program and making important contributions in assuring SFI Standard conformance and SFI program recognition. The committees, which are a key part of the SFI program, are responsible to the SFI Inc. Board of Directors for oversight and administration of the SFI program at the state, regional or provincial level.

SFI Implementation Committees were started within many states and provinces by program participants and state/provincial organizations as a means to involve a range of local interests in the development of the program and as a means of responding to state and provincial level implementation issues. These committees play an important role in the success of the SFI program. While SIC efforts should continue to focus on logger training and education, landowner outreach, inconsistent practices monitoring, informational resources outreach and SFI program integrity monitoring, SIC efforts should also seek to involve government outreach and conservation/community outreach at various levels.

II. MISSION

SFI Implementation Committees will effectively facilitate or manage at a state, provincial, or regional level the programs and alliances which support the growth of sustainable forest management through the SFI program.

III. PURPOSE AND SCOPE

The purpose of this MOU is to:

¹ SFI Implementation Committee (SIC): A state, provincial or regional committee organized by SFI Program participants to facilitate or manage the programs and alliances that support the growth of the SFI program, including sustainable forest management.

Sustainable Forestry Initiative, Inc.

1. Maintain the integrity and credibility of the SFI program;
2. Promote consistency among the states, provinces and regions (as needed);
3. Provide for flexibility in meeting the needs and interests of those entities (businesses, organizations and individuals) participating in the SFI program at the local level;
4. Outline the core and secondary services and obligations of the SFI Implementation Committees; and
5. Describe the services and obligations to be provided by SFI Inc.

Scope:

SICs are semi-autonomous committees reflecting significant geographic and organizational diversity.

The SIC chair shall be an SFI program participant. Each SIC must have bylaws or a charter formalizing the SFI-specific focus of the committee and the leadership role of SFI program participants. Bylaws and/or charters should include the SICs decision-making process, noting all issues should be resolved at the local level. If an issue can not be resolved at the local level, the SIC should contact SFI Inc. for additional assistance in resolving the issue.

All SFI program participants² owning and/or operating forest product facilities, owning and/or managing forestland, or procuring fiber within the state or province are expected to participate in the SFI Implementation Committees (SICs). SFI program participants are required to participate in the SIC where significant operations exist, i.e. majority of forestland owned and/or fiber procured. However, participation is not limited to these areas and participation in multiple committees is encouraged by SFI Inc. As such, SICs are to provide reasonable access to any SFI program participant who wishes to participate in the committee.

SICs are further encouraged to involve forest products companies, non-industrial landowners, family forest landowners, representatives from the state/provincial forestry association, the state/provincial forester's office, forestry colleges and universities, professional loggers, the Agricultural Extension Service, technical education centers, conservation groups, community groups and other stakeholders. As of 2010 SIC annual reporting, nearly 40% of all SFI Implementation Committee participants represented community groups, including conservation organizations, academia, loggers and public agencies.

IV. RESPONSIBILITIES

Each party agrees to the following tasks for this MOU.

²SFI program participant: A forest landowner, forest land manager, primary or secondary forest products producer operating in the United States or Canada who participates in the SFI program through a contractual agreement to abide by the *SFI 2010-2014 Standard*. Program participants cannot use the SFI on-product label or make claims their products are certified.

Sustainable Forestry Initiative, Inc.

The SIC Governance document³ is the principal governing document for SICs. The below services and obligations are further detailed in the SIC Governance document.

SFI IMPLEMENTATION COMMITTEES CORE MISSION SERVICES AND OBLIGATIONS:

The following core mission services and obligations are priorities and mandatory for all committees:

- A. Training and Education – Establish criteria and identify delivery mechanisms for logging professional, forest resource professional, and wood producer training and defining what it means to be “SFI trained”. Establish criteria for recognition of logger certification professional programs, where they exist. *SFI Implementation Committees shall develop objective criteria to determine qualifications for an SFI “trained” logger/forester, as well as criteria for recognition of logger certification programs, where they exist. SICs should also refer to the SFI 2010-2014 Standard, Section 6 entitled “Guidance to SFI 2010-2014 Standard”, for additional information regarding these requirements. (SFI 2010-2014 Standard Indicators 16.2.1. and 16.2.2.)*
- B. Inconsistent Practices - Establish protocols for addressing, investigating, and responding to SFI Standard non-conformity allegations and inconsistent practices, and allegations regarding non-program participant forest management practices. *The SFI Implementation Committee shall establish an appropriate procedure at the state, provincial or regional level to address concerns raised by loggers, consulting foresters, employees, SFI participants, or other interested parties regarding practices appearing to be inconsistent with the Sustainable Forestry Initiative 2010-2014 Standard, and allegations regarding non-program participant forest management practices. (SFI 2010-2014 Standard Indicators 17.3.1 and SFI 2010-2014 Standard. Section 11. Item 1.)*
- C. Landowner Outreach - Focus landowner outreach efforts on education and technical assistance. *SFI Implementation Committees shall support and promote efforts by consulting foresters, state, provincial and federal agencies, state or local groups, professional societies, conservation organizations, indigenous peoples and governments, community groups, sporting organizations, labor, universities, extension agencies, the American Tree Farm System®, and/or other landowner cooperative programs to educate and assist family forest landowners and to encourage them to apply principles of sustainable forest management on their lands. The SFI program also requires participants to encourage landowners who sell their timber to reforest following harvest and to use Best Management Practices (BMPs) to protect water quality by providing these landowners with information on the environmental and economic advantages of these practices. SFI Implementation Committees may wish to adopt common recommendations on reforestation and BMPs for landowners and produce materials uniquely useful for their state, region or province. (SFI 2010-2014 Standard Indicators 17.1.1. – 17.1.3.)*
- D. Informational Resources - Focus informational resource efforts on increasing SFI program recognition, awareness and support with groups, such as local opinion leaders and forestry resource professionals. *SFI Implementation Committees shall focus informational resource efforts on increasing SFI program recognition, awareness and support with groups, such as local opinion leaders and forestry resource professionals. SICs will also support and promote appropriate mechanisms for informational resource outreach, education, and involvement related to forest management, such as: 800 numbers; environmental education and/or private and public sector technical assistance programs. (SFI 2010-2014 Standard Performance Measure 17.2.)*
- E. SIC Annual Reporting - Submit the SIC Annual Progress Report to SFI Inc. *SFI Implementation Committees shall complete and submit to SFI Inc. an annual progress report outlining their accomplishments during the previous year and a program of work for the following year. SICs are encouraged to improve and refine the annual SFI program data reporting process through comments*

³ SFI Implementation committee core and secondary mission services and obligations are further refined and detailed in the SIC Governance document, dated September 2009. The SIC Governance document is included in Appendix I of this Memorandum of Understanding.

Sustainable Forestry Initiative, Inc.

and recommendations to SFI Inc. If SICs are not currently addressing activities covered in this MOU, they should provide an explanation regarding plans to meet MOU requirements. SICs not addressing all components of the program, either through the SFI Implementation Committee or an existing mechanism, will not be listed in the annual, national SFI program progress report nor be able to use the service marks associated with the SFI program.

F. SFI Program Integrity- Protect the integrity of the SFI program by:

- a) ensuring proper SIC service mark usage;
- b) alerting SFI Inc. when improper communications or misleading claims are observed;
- c) avoiding the appearance of participation or compliance by non-SFI program participants; and
- d) avoiding appearance of third-party certification by non-certified SFI program participants.

SFI Implementation Committees shall protect the integrity of the SFI Program by ensuring proper SIC service mark usage. The SIC will alert SFI Inc. when improper or misleading claims are witnessed regarding the SFI program or its program participants. (SFI 2010-2014 Standard Indicators 17.3.1. and 17.3.2.) Also, see Section V. SFI Service Mark Responsibilities for further information and clarification.

SFI IMPLEMENTATION COMMITTEES SECONDARY MISSION SERVICES AND OBLIGATIONS

The following secondary mission services and obligations support SFI Inc. strategic objectives, however these are optional for each SIC to determine priorities. Also, individual participants may choose not to participate or support these objectives.

- A. Training & Education -- Provide delivery mechanisms for logging professional, and forest resource professional, and wood producer training to address SFI program needs not adequately provided by other programs.
- B. Market Outreach -- Sponsor active market outreach efforts in local communities that may include paid advertising.
- C. Recruitment -- Encourage large landowners and all forest products facilities to enroll as SFI program participants; encourage family forest owners to participate in American Tree Farm System or similar programs, recognized by the SFI program, as appropriate.
- D. Forest Management Statistics - Encourage government agencies to provide accessible timely, accurate harvest and regeneration statistics, in support of a program participant's sustainable forestry programs. *(SFI 2010-2014 Standard Performance Measure 15.2.)*
- E. Research – Promote forestry research, science, and technology, upon which sustainable forest management decisions are based. *(SFI 2010-2014 Standard Performance Measures 15.1, 15.2, and 15.3.)*

SFI Inc. SERVICES AND OBLIGATIONS ARE:

- A. SFI Inc. shall respond to state, provincial or regional inquiries and requests in a timely manner (not to exceed three weeks) ensuring programs are not put on hold for an extended period of time. Inquiries and requests include, but are not limited to: material content review, assistance with advertisements, project assistance requests, etc. All inconsistent practices issues will receive a response within 48 hours regarding SFI Inc. actions.

Sustainable Forestry Initiative, Inc.

- B. SFI Inc. shall act as a conduit for sharing information between the SICs and the SFI Inc. Board of Directors.
- C. SFI Inc. shall host a SFI Annual Conference and provide an opportunity for annual forum among the states and provinces.
- D. SFI Inc. shall facilitate sharing of progress and information among the SICs through the SIC Member only website, SFI newsletters and other means.
- E. SFI Inc. shall provide assistance in development of outreach materials to assist in committee-sponsored outreach materials. SFI Inc. will also host an online clearinghouse of SIC-developed outreach materials, providing committees additional outreach material opportunities. When budgets allow, SFI Inc. may provide grants to SICs to supplement SFI program implementation and support SIC community outreach activities.
- F. SFI Inc. shall facilitate sharing of local level project ideas and information, including government outreach and community-based projects. Project examples include, but are not limited to: Habitat for Humanity, 4-H, Boy Scouts and Girl Scouts.

V. SFI SERVICE MARK RESPONSIBILITIES⁴ – For additional information, see Article V. F above.

SFI Inc. owns the registration of the following words and design elements with the U.S. Patent and Trademark Office (PTO):

“Sustainable Forestry Initiative (SFI)”

“Sustainable Forestry Initiative”;

“SFI”;

the SFI logos and taglines;

the SFI labels; and

the SFI Implementation Committee logo
(referenced below).



The SFI Implementation Committees, by signature to a licensing agreement, may use the words “Sustainable Forestry Initiative”, “SFI”, and the SFI Implementation Committee logo in external communications materials. The licensing agreement (See Appendix II) and “Rules for Use” provide detailed guidelines for use of these

⁴ See Appendix II, SFI Implementation Committee Service Mark Licensing agreement, for further information and details.

Sustainable Forestry Initiative, Inc.

service marks. All service marks must be accompanied by a statement which recognizes they are registered marks of the SFI Inc. The SFI Implementation Committee is responsible for ensuring they comply with the guidelines.

SFI Inc. is the owner of the above service marks. In any publication using the service marks, a distinction needs to be made between certified program participants⁵ and non-certified program participants participating directly in the national program, and other stakeholders participating through the local committee. Since there are different conformance requirements for both types of participants, SIC literature should make the following distinction with regard to status:

"SFI Program Participants or SFI Certified Program Participants"

"Supporters" - Forest products producing companies or other organizations which are not SFI program participants but are active in and support efforts of the SFI Implementation Committee.

Non-program participants cannot publically claim to be in conformance with the SFI Standard or participants in the SFI program. Additionally, non-certified program participants may not claim third-party certification.

SFI program participants wishing to use the SFI logo on letterhead should follow the guidelines developed for this purpose through their individual company's SFI licensing agreement. Additionally, all uses of the SIC logo or SFI off-product mark by SICs should be submitted for logo use approval to SFI Inc.'s Office of Label Use and Licensing.

VI. TERMS OF UNDERSTANDING

This MOU provides rules and obligations for state, provincial or regional-level participation (See Appendix III), reporting, service-mark usage (See Appendix II), and programmatic requirements for the SFI program, which is further outlined in the SFI Implementation Committee Governance Document (See Appendix I.). States or provinces wishing to expand programs and services affiliated with the SFI program beyond the terms and conditions spelled out in this document must submit a written request and obtain approval from SFI Inc.

The term of this MOU is for a period of five (5) years from the effective date of the current SFI Standard, and may be extended upon written mutual agreement. This MOU may be modified at any time by SFI Inc. by sending written notice to the SFI Implementation Committee for adoption. The SFI Implementation Committee is not required to adopt the changes until the end of the calendar year. It shall be reviewed at least every five (5) years, in conjunction with the SFI Standard, to ensure consistency with the current SFI Standard and to make any necessary revisions.

⁵ Certified Program Participant: 1. A forest landowner, forest land manager, primary or secondary forest products producer operating in the United States or Canada who participates in the SFI program through a contractual agreement to abide by the *SFI 2010-2014 Standard*, and who has been certified by an accredited SFI certification body to be in conformance with the *SFI 2010-2014 Standard*. 2. An organization that has been certified by an accredited SFI certification body to be in conformance with the SFI Chain of Custody Standard and associated labels (Sect. 3 and 4).

Sustainable Forestry Initiative, Inc.

Signature to the annual SIC progress report will be considered reaffirmation of commitment to this Memorandum of Understanding. Either organization may terminate this MOU upon thirty (30) days written notice without penalties or liabilities. This MOU may be revoked by SFI Inc. at any time for non-compliance.

VII. ACTIVITIES REQUIRING APPROVAL

The SFI program is one of continuous improvement and is constantly evolving. To maintain consistency in the operation of the program nationally and locally, and to ensure adequate program governance, SFI Implementation Committees wishing to undertake activities beyond the scope of this document must obtain approval from SFI Inc.

Additionally, all SFI program participants are required to submit annual reports to SFI Inc. documenting their progress in implementing the program within their company, as stated in the core mission services and obligations in Article V. SFI Implementation Committees may collect the same type of information collected nationally for their particular jurisdiction. This information must be aggregated, and may not be released in part or in whole for an individual company without the company's written permission. If an SIC wishes to collect information going beyond what is currently collected at the national level, approval is required from SFI Inc.

Sustainable Forestry Initiative, Inc.

VIII. AUTHORIZATION

The undersigned representative of the SFI Implementation Committee attests he/she is duly authorized by the SFI Implementation Committee to sign this agreement.

SFI Implementation Committee Chair:

Signature
Washington

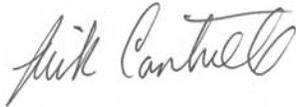
On Behalf of the State/Province/Region of:
WA SIC

Affiliation:
111 SW Fifth Ave., Suite 3850, Portland, OR 97204

Company Address
503.200.2740 / 503.200.2731

Phone/Fax

Sustainable Forestry Initiative Inc. Vice President and COO:



Signature

Rick Cantrell
On Behalf of SFI Inc.

SFI Inc.

Affiliation:

900 17th Street, NW Suite 700, Washington, DC 20006

Company Address

202.596.3450 (ph) and 202.596.3451 (fax)

Phone/Fax

Sustainable Forestry Initiative, Inc.
900 17th Street, NW, Suite 700, Washington, DC 20006
202/596-3450 Fax: 202/596-3451

Appendix I



SFI® IMPLEMENTATION COMMITTEE (SIC)

GOVERNANCE

BACKGROUND

Sustainable Forestry Initiative (SFI) program participants established state SFI Implementation Committees (SICs) in 1995 and the first provincial SIC in 2001. SICs provide a strong foundation for the SFI program and make important contributions in assuring SFI Standard conformance and SFI program recognition. The state, provincial and regional SICs are semi-autonomous committees reflecting significant geographic and organizational diversity. This flexible, grassroots infrastructure is a fundamental strength of the SFI program and our goal to promote responsible forestry across all forest ownerships.

The Sustainable Forestry Initiative (SFI) program is a fully-independent forest certification program. All aspects of the SFI program are owned and managed by the Sustainable Forestry Initiative, Inc. (SFI Inc.), a non-profit organization based in Washington, DC and governed by a three-chamber Board of Directors with equal representation from three chambers: environmental, social and economic. The SIC Governance document is the principal governing document for SICs. SIC Chairs should use the following documents, which can be found on the SFI Inc. SIC member's only site, for assistance in managing SIC activities consistent with SFI Inc. objectives:

- SIC Governance document;
- SIC Memorandum of Understanding;
- SIC Service Mark Licensing agreement; and
- SIC-specific governance documents.

In 2009, SFI Inc. developed an SIC Governance Review Ad-Hoc Committee to review the SIC Governance document for relevance to the current SFI Program and to ensure consistency with the SFI 2010-2014 Standard. The Ad-Hoc Committee reinforced the need for the SIC Governance document and in ensuring consistency with the current SFI Standard. The SIC Governance document will be updated on a regular basis in conjunction with future SFI Standard revisions. The SIC Governance document may also be reviewed between these schedule revisions if necessary due to significant SFI program changes.

VISION STATEMENT

Sustainable Forestry Initiative, Inc.

"SFI Implementation Committees (SICs) are an integral part of the SFI program and play a vital role in promoting training and landowner outreach, maintaining integrity of the SFI program and supporting and promoting responsible forestry and the SFI program at local levels.

MISSION STATEMENT

The Memorandum of Understanding (MOU) defines the SIC Mission, ensuring SIC goals and priorities are focused based on recommendations from the SIC Governance Review Ad-hoc Committee. The MOU clarifies both the SIC mission and supports obligations for SFI program participants as follows:

- II. Overall SIC Mission – Effectively facilitate or manage at a state, provincial, or regional level the programs and alliances which support the growth of sustainable forest management through the SFI program.
- III. Core SIC Mission – Priorities for all SICs
 - A. Training & Education -- Establish criteria and identify delivery mechanisms for logging professional, forest resource professional, and wood producer training and defining what it means to be "SFI trained".¹ Establish criteria for recognition of logger certification professional programs, where they exist.²
 - B. Inconsistent Practices -- Establish protocols for addressing, investigating, and responding to SFI Standard non-conformity allegations and inconsistent practices, and allegations regarding non-program participant forest management practices.³
 - C. Landowner Outreach -- Focus landowner outreach efforts on education and technical assistance.⁴
 - D. Informational Resources -- Focus informational resource efforts on increasing SFI program recognition, awareness and support with groups, such as local opinion leaders and forestry resource professionals.⁵
 - E. Annual Reporting -- Submit the SIC Annual Progress Report to SFI Inc.
 - F. SFI Program Integrity⁶ -- Protect the integrity of the SFI program by:
 - a) ensuring proper SIC service mark usage;
 - b) alerting SFI Inc. when improper communications or misleading claims are observed;
 - c) avoiding the appearance of participation or compliance by non-SFI program participants; and
 - d) avoiding appearance of third-party certification by non-certified SFI program participants.
- IV. **Secondary SIC Mission** – Below are priorities which may be determined by each SIC; however, individual participants may choose not to participate or support these objectives.
 - A. Training & Education -- Provide delivery mechanisms for logging professional, and forest resource professional, and wood producer training to address SFI program needs not adequately provided by other programs.
 - B. Market Outreach -- Sponsor active market outreach efforts in local communities that may include paid advertising.
 - C. Recruitment -- Encourage large landowners and all forest products facilities to enroll as SFI program participants; encourage family forest owners to participate in American Tree Farm System or similar programs, recognized by the SFI program, as appropriate.
 - D. Forest Management Statistics - Encourage government agencies to provide accessible timely, accurate harvest and regeneration statistics, in support of a program participant's sustainable forestry programs.⁷

¹ SFI 2010-2014 Standard Indicator 16.2.1.

² SFI 2010-2014 Standard Indicator 16.2.2.

³ SFI 2010-2014 Standard Indicators 17.3.1 and 17.3.2.

⁴ SFI 2010-2014 Standard Indicators 17.1.1. – 17.1.3.

⁵ SFI 2010-2014 Standard Performance Measure 17.2.

⁶ SFI 2010-2014 Standard Indicators 17.3.1. and 17.3.2.

⁷ SFI 2010-2014 Standard Performance Measure 15.2.

Sustainable Forestry Initiative, Inc.

- E. Research – Promote forestry research, science, and technology, upon which sustainable forest management decisions are based.¹

SIC ORGANIZATION

SICs are semi-autonomous committees reflecting significant geographic and organizational diversity. This flexible, grassroots infrastructure is a fundamental strength of the SFI program and our goal to promote sustainable forestry across all ownerships. The following is intended to clarify support expectations and provide guidance to ensure consistency, while still maintaining SIC flexibility.

Projects

- I. SIC activities should focus on SFI-specific projects that are more effectively executed through group efforts. In all cases, SIC-supported projects should seek to complement existing efforts that promote sustainable forestry.
- II. All SIC-supported projects should incorporate SFI program recognition.
- III. SIC activities should complement and not overlap state/provincial association efforts. SICs should coordinate regionally where appropriate to cut costs.
- IV. SICs may not place requirements on SFI program participants beyond what is contained in the SFI Standard currently in effect without prior approval by SFI Inc.

Structure

- I. Each SIC must have bylaws or a charter that formalizes the SFI-specific focus of the committee and the leadership role of SFI program participants. SIC Chairs must be SFI program participants.
- II. SICs should strive for consensus on decision-making process pertaining to projects and activities, whether core or secondary, and involving all SIC members. Where consensus can not be reached, the decision-making process should be clearly defined to anticipate instances where consensus cannot be reached. Even if SFI program participants do not represent a "majority," they should set SIC SFI policy through predetermined business decision-making structures including:
 - A. Weighted voting rights based on level of financial and/or SFI support, or
 - B. Prioritized menu of programs and projects to electively support, or
 - C. Required majority vote for SFI program participants.
- III. Efforts to involve "Supporters" in SIC activities should focus on multi-stakeholder organizations that publicly support the SFI program locally, regionally, and/or nationally. Eligible "Supporters" (i.e. landowners, manufacturers/facilities or organizations who qualify for SFI program participation) should be encouraged to enroll in the SFI program.
- IV. SICs must be vigilant in avoiding the appearance that "Supporters" or non-SFI program participants are in conformance with the SFI Standard or are participants in the SFI program.
- V. SICs should be independent, SFI-focused committees with legal oversight and staff support provided by existing industry-supported infrastructure where possible. Contracting with state or provincial associations may be a cost effective option for avoiding the duplication of support services.

Funding

- I. The SIC decision-making process should recognize SFI program participants determine the level of funding to be provided by each participant.
- II. Local SFI program participants should determine SIC dues, budgets, and funding consistent with national SFI program priorities and trends.

¹ SFI 2010-2014 Standard Performance Measures 15.1, 15.2, and 15.3.

Sustainable Forestry Initiative, Inc.

- III. Local SFI program participants should define "support" expectations for SIC members. "Support" may not necessarily be financial and can include in-kind support.
- IV. Local SFI program participants should establish an equitable means of self-assessment to generate needed funding. SFI program participants may choose not to participate in funding projects not defined as part of the SIC core mission.
- V. SICs should consider multi-state credits/discounts, non-dues revenue opportunities, including grants, and other options providing dues paying members flexibility on funding requirements, particularly in the cases of financial hardship.
- VI. SICs should develop program budgets annually, ensuring they are reflective and respective of the current economy. Projects implemented by the SIC should incorporate SFI-specific elements and promote the SFI program.
- VII. SIC sponsored activities should be self-funding wherever possible. SICs should seek grants from non-industry sources and incorporate financial goals based on anticipated revenue from grants, registration fees, or other sources. If funds are sought from national organizations, SICs should consult with SFI Inc. to avoid overlap of fund-seeking from multiple entities.
- VIII. SICs should seek opportunities to participate in projects already being implemented within the broader forestry community by incorporating SFI-specific elements.



SFI-00001

SERVICE MARK LICENSING AGREEMENT

This agreement (the "Agreement") is made by and between the Sustainable Forestry Initiative, Inc. ("SFI Inc.") a Delaware corporation with offices at Suite 700, 900 17th Street, N.W., Washington, DC 20006 ("Licensor"), and the Washington SFI® Implementation Committee ("SFI Implementation Committee" or "Licensee") (each a "Party" and collectively the "Parties").

INTRODUCTION

- A. SFI Inc. owns all rights, title, and interest in and to the "Sustainable Forestry Initiative" program group of service marks listed in Exhibit A (the Licensed Marks) as the Licensed Marks are used to identify the services listed in Exhibit A.
- B. Subject to the terms and conditions set forth below, SFI Inc. grants to the SFI Implementation Committee, for good and valuable consideration, the receipt and adequacy of which both Parties acknowledge, the right to use the Licensed Marks to identify the Licensed Services.

TERMS AND CONDITIONS

1. SFI Inc. grants to the SFI Implementation Committee and the SFI Implementation Committee accepts a revocable, royalty-free, non-exclusive license to use and display the Licensed Marks in connection with the Licensed Services within the State [or Commonwealth] or Province of Washington [state or province], without the right to sublicense.
2. Any and all other rights or interests not expressly granted by this Agreement are reserved by Licensor. No rights or licenses are granted with respect to the Licensed Marks—whether by implication, estoppel, or otherwise—except as expressly provided in this Agreement. This license will remain in effect as long as the SFI Implementation Committee continues to use the Licensed Marks in accordance with the terms and conditions of this Agreement.
3. Notwithstanding any other provision in this Agreement, SFI Inc. may, in its sole discretion, terminate this Agreement, including any licenses granted herein, upon forty-five (45) days written notice to the SFI Implementation Committee. In addition, SFI Inc. may, in accordance with paragraph 3.c., terminate this Agreement, including any licenses granted herein, upon fifteen (15) days written notice to the SFI Implementation Committee for SFI Implementation Committee's uncured failure to meet any of the terms and conditions specified in this Agreement. Regardless of the reason for termination or expiration of this Agreement, the provisions of paragraphs 7, 8, 9, 13, 18, and 19 will survive termination or expiration of the Agreement and remain in full force and effect.
4. To comply with applicable trademark law, including the United States Trademark Act of 1946, 15 U.S.C. 1051 et seq., as amended, with respect to SFI Inc.'s control of the nature and quality of the Licensed Services provided by the SFI Implementation Committee under the Licensed Marks, the Licensed Services will meet the following standards for business practices and customer services:
 - a. The Licensed Services will comply strictly with all applicable federal, state, and provincial laws or regulations, or all rules or regulations of SFI Inc. that are applicable to the Licensed Services, and any other quality-control standards that SFI Inc., at its sole discretion, may implement during the term of this Agreement.
 - b. SFI Inc., at its sole discretion, may require as a condition to the licenses granted herein that SFI Inc. approve in advance the manner in which the SFI Implementation Committee proposes to use or display the Licensed Marks in connection with the Licensed Services.
 - c. Upon request during the term of this Agreement, the SFI Implementation Committee will provide to SFI Inc., at the SFI Implementation Committee's expense, a reasonable number of representative samples of publicly disseminated materials, documents, forms, and the like that display any of the Licensed Marks. If the SFI Implementation Committee receives notice from SFI Inc. or SFI Inc.'s counsel that SFI Inc. objects to any particular use or display by the SFI Implementation Committee of any of the Licensed Marks, or that the Licensed Services provided by the SFI Implementation Committee under or in connection with any of the Licensed Marks do not meet the quality standards specified in this

Sustainable Forestry Initiative, Inc.

Agreement, the SFI Implementation Committee will immediately discontinue such use or display of the Licensed Mark(s) until the SFI Implementation Committee has amended such use or display to SFI Inc.'s satisfaction. Within 30 (thirty) days of the SFI Implementation Committee's receipt of SFI Inc.'s notice of objections to the SFI Implementation Committee's manner of using or displaying any of the Licensed Marks, the SFI Implementation Committee will, at its expense, make any and all relevant corrections or changes requested by SFI Inc. and provide proof of such corrections or changes to SFI Inc. Should such quality problems, use or display remain uncured by the SFI Implementation Committee to SFI Inc.'s satisfaction, SFI Inc. may, in its sole discretion, terminate this Agreement upon fifteen (15) days written notice to SFI Implementation Committee.

- d. The SFI Implementation Committee will provide to SFI Inc. upon request or, consistent with the SFI Implementation Committee ("SIC") Annual Reporting Requirements set forth in Section IV.E of the Memorandum of Understanding ("MOU") between SFI Inc. and the SFI Implementation Committee, a certificate executed by an authorized officer of the SFI Implementation Committee stating that the SFI Implementation Committee is in strict compliance with the foregoing quality standards.
5. The SFI Implementation Committee shall abide by and follow the Rules for Use of SFI Inc. Owned Marks by the SFI Implementation Committees ("SFI Implementation Committee Rules") attached and incorporated herein as Exhibit B, and the Rules for Use of SFI Inc. Owned Marks by SFI Implementation Committee Supporters ("SFI Supporter Rules") attached and incorporated herein as Exhibit C, as they may be amended by SFI Inc. from time to time.
6. The SFI Implementation Committee is not entitled to use or display any of the Licensed Marks on or in connection with any goods or services except as specifically provided in this Agreement, and as directed by the SFI Implementation Committee Rules and SFI Supporter Rules.
7. The SFI Implementation Committee acknowledges that, by way of the licenses granted herein, any and all rights and goodwill generated in connection with the use of the Licensed Marks shall inure to the benefit of SFI Inc, only. The SFI Implementation Committee explicitly acknowledges that the Licensed Marks and the goodwill associated with the Licensed Marks are the sole property of SFI Inc., and that all use or display of any of the Licensed Marks by the SFI Implementation Committee will inure to SFI Inc.'s benefit only, and that the SFI Implementation Committee shall not in any way acquire any rights and/or goodwill by way of its use of the Licensed Marks.
8. The SFI Implementation Committee agrees to hold harmless, indemnify, and defend SFI Inc., SFI Inc.'s affiliates, and all of their officers, directors, employees, shareholders, agents, subsidiaries, affiliates, successors, and assigns (collectively, the "Indemnitees") from any and all claims, liabilities, judgments, penalties, losses, costs, damages, expenses, and fees, including attorneys' fees, arising from or associated with any third-party claims of whatever nature that may be asserted against any or all of the Indemnitees based on the SFI Implementation Committee's negligence, bad faith, or willful misconduct in the use or display of any of the Licensed Marks, including any breach by the SFI Implementation Committee of

Sustainable Forestry Initiative, Inc.

paragraph 5 herein, or arising from any other breach of this Agreement by the SFI Implementation Committee.

9. The SFI Implementation Committee will not challenge or assist any other party in challenging the validity of or SFI Inc.'s rights in, to, or under any of the Licensed Marks or any federal, state, or provincial trademark or service mark registrations for, or applications to register, any of the Licensed Marks.
10. The SFI Implementation Committee will not use or seek to register anywhere in the world, directly or indirectly, either by itself or in concert with other parties, any trademark, service mark, or trade name that SFI Inc. reasonably believes to be confusingly similar to any of the Licensed Marks anywhere in the world.
11. The SFI Implementation Committee will assist SFI Inc. in defending the Licensed Marks from any challenge by a third party. SFI Inc. will have the sole discretion to control the defense to any such challenge and the sole discretion to settle, negotiate, or otherwise compromise with any third party who challenges any of the Licensed Marks.
12. In the event that the SFI Implementation Committee receives from any third party a notice challenging the validity of the Licensed Marks or SFI's ownership therein, or asserting improper use of the Licensed Marks in any manner by the SFI Implementation Committee or any member thereof, the SFI Implementation Committee shall promptly convey such notice to SFI Inc.
13. If the event that the SFI Implementation Committee learns of any misuse or infringement, or potential misuse or infringement of the Licensed Marks, the SFI Implementation Committee shall promptly notify SFI Inc. of such misuse or infringement, or potential misuse or infringement.
14. SFI Inc. will have the sole discretion to determine whether and how to take action against any actual or potential infringer of any of the Licensed Marks. The SFI Implementation Committee will not take any action against any actual or potential infringer of any of the Licensed Marks without SFI Inc.'s prior written consent, which SFI Inc. may withhold in its sole discretion.
15. The SFI Implementation Committee will cooperate fully with SFI Inc. as necessary to obtain and/or maintain any federal, state, or provincial registrations for any of the Licensed Marks, including executing any documents or supplying any specimens of the SFI Implementation Committee's use of any of the Licensed Marks that SFI Inc. reasonably believes necessary to obtain and/or maintain such registrations.
16. Upon termination or expiration of this Agreement for any reason whatsoever, the SFI Implementation Committee will immediately cease any and all use or display of any of the Licensed Marks and will, within 15 days of such termination, destroy or, at SFI Inc.'s sole discretion, provide to SFI Inc. at the SFI Implementation Committee's expense, any and all materials, documents, forms, and the like, including any promotional items as described in the SFI Implementation Committee Rules, displaying any of the Licensed Marks. Within 15 days of the termination or expiration of this Agreement the SFI Implementation Committee shall notify its Supporters of the expiration of this Agreement and shall instruct the Supporters

Sustainable Forestry Initiative, Inc.

to, within 30 days of such termination, destroy or, at SFI Inc.'s sole discretion, provide to SFI Inc. at the SFI Implementation Committee's expense, any and all materials, documents, forms, and the like, including any promotional items as described in the SFI Supporter Rules, displaying any of the Licensed Marks.

17. The SFI Implementation Committee may not assign or otherwise transfer in any manner whatsoever this Agreement or the license granted by it and may not grant any sublicenses or otherwise encumber the title of SFI Inc. to any of the Licensed Marks without SFI's written consent. An assignment will be deemed to include, without limitation, a merger of the SFI Implementation Committee with another party, whether or not the SFI Implementation Committee is the surviving entity. Any assignment in violation of this Section 14 will be invalid, void, null, and of no effect.
18. All notices required or contemplated under this Agreement will be in writing and shall be (i) delivered personally; (ii) sent prepaid by a nationally recognized over-night delivery service (such as, but not limited to, Federal Express); or (iii) sent by United States certified mail, return receipt requested, postage prepaid. All notices shall be delivered or sent to the address set forth below for each Party or such other address as either Party notifies the other of in accordance with the terms of this Agreement. Notices shall be deemed to have been given upon receipt by the Party to which the notice is delivered or sent or on the date upon which delivery is refused:

if to SFI Inc., addressed to:

Amy Doty
Manager, Community Outreach
Sustainable Forestry Initiative
900 17th Street, N.W.
Suite 700
Washington, DC 20006
Telephone: 202-596.3458
Facsimile: 202-4596.3451

if to SFI Implementation Committee, addressed to:

Brian J. Kernohan

[name]
Chariman

[title]
Washington

[SFI Implementation Committee]
111 SW Fifth Ave., Suite 3850

[street address]
Portland, OR 97204

[city, state/province, zip/postal code]
503.200.2740

[telephone]
503.200.2731

[facsimile]

19. This Agreement is between two independent parties and will not be construed as creating a partnership or agency of any kind.

Sustainable Forestry Initiative, Inc.

20. This Agreement and the respective rights and obligations it establishes will be binding upon and inure to the benefit of the permitted SFI Implementation Committee, assignees, SFI Inc., or assignors, or other successors or heirs of the Parties.
21. Any waiver of any provision in this Agreement (or in any related document or instrument) will not be effective unless made expressly and in writing, executed in the name of the party sought to be charged. The failure of either party to insist, in any one or more instances, on performance of any of the terms, covenants, or conditions of this Agreement will not be construed as a waiver or relinquishment of any rights granted by it or of the future performance of any such term, covenant, or condition; rather, the obligations of the Parties will continue in full force and effect.
22. This Agreement will be governed by and construed in accordance with the United States Trademark Act of 1946, 15 U.S.C. 1051 et seq., and the internal laws of the District of Columbia without regard to choice-of-law provisions. The Parties agree that any dispute that may arise between them regarding their respective rights and obligations under this Agreement will, if necessary, be tried in the United States District Court for the District of Columbia, and that such Court shall have sole subject matter jurisdiction regarding any such dispute. Each Party consents to personal jurisdiction in the United States District Court for the District of Columbia solely with respect to the adjudication of any dispute arising under this Agreement.
23. If a court holds any portion of this Agreement to be void or otherwise ineffective, such a finding will not affect the enforceability of any remaining portions of the Agreement, which such portions shall continue and remain in full force and effect.
24. This Agreement constitutes the entire agreement between the Parties regarding the subject matter hereof and supersedes all prior agreements, understandings, and representations regarding the subject matter of this Agreement. This Agreement may be amended only in a writing signed by both Parties.
25. This Agreement may be executed by facsimile and in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

SERVICE MARK LICENSING AGREEMENT

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives as of the last below-written date.

SFI Implementation Committee
Licensee

SUSTAINABLE FORESTRY INITIATIVE INC.
Licensor

Signature

Washington

On Behalf of the State or Province of

WA SIC

Affiliation

111 SW Fifth Ave., Suite 3850

Street Address

Portland, OR 97204

City, State Zip Code

503.200.2740/503.200.2731

Phone/Fax

Signature – SFI Inc. Representative

Vice President and COO

Title

SFI Inc.

Affiliation

900 17th Street, NW Suite 700

Street Address

Washington, DC 20006

City, State Zip Code

202.596.3450 (ph) 202.596.3451 (fax)

Phone/Fax

Sustainable Forestry Initiative

900 17th Street, NW, Suite 700

Washington, DC 20006

202/596.3458 Fax: 202/596.3451

**EXHIBIT A
THE LICENSED MARKS**

MARK:



"SFI"®

"SUSTAINABLE FORESTRY INITIATIVE® (SFI)"

"Sustainable Forestry initiative"®

ASSOCIATED TAGLINE "*GOOD FOR YOU. GOOD FOR OUR FORESTS.*"®

EXHIBIT B

**RULES FOR USE OF SFI INC. OWNED MARKS
BY THE SFI IMPLEMENTATION COMMITTEES**

The Sustainable Forestry Initiative Inc. (SFI Inc.) is the owner of the service marks:

"SFI IMPLEMENTATION COMMITTEE" (SM is included in the design), hereafter referred to as "Logo"
(Service Mark)



"Sustainable Forestry Initiative[®] (SFI)"
(Registered Mark)

"Sustainable Forestry Initiative"[®]
(Registered Mark)

"SFI"[®]
(Registered Mark)

Good for you. Good for our forests.[®]
(Registered Mark)

Sustainable Forestry Initiative, Inc.

SFI Inc. owns all rights, title and interest in the preceding marks and exercises legitimate control over the use of the above marks (collectively the "Marks", and individually a "Mark").

The SFI Implementation Committees shall use the preceding marks strictly in accordance with the following conditions and limitations:

1. Any Mark must be individually accompanied by the registration symbol "®" if registered, or else the service mark symbol "SM" if not registered. The SFI Implementation Committee Logo already includes the SM in the design. Upon registration of the "SFI Implementation Committee" mark, SFI Inc. may notify the SFI Implementation Committees to begin using the registration symbol "®" in connection with the use of such mark.)
2. The following guidelines and restrictions apply to the use of the Marks:
 - A. If using a Mark in an advertisement or on the front page of a book, manual, report or other document, the mark should appear larger, bolder and in all caps or italics. If the Mark is not registered and is accompanied by the service mark symbol "SM", the following language should be added at the bottom of the advertisement, or front cover or inside cover: "[Mark] is a service mark of Sustainable Forestry Initiative, Inc." If the mark is registered and is accompanied by the registration symbol "®", then the following language should be added at the bottom of the advertisement, or front cover or inside cover: "[Mark] is a registered mark of Sustainable Forestry Initiative, Inc."
 - B. The first time a word Mark is used in the body of a document such as in the text, the word Mark should be represented in all capital letters, if feasible, and if not feasible then in quotes, and the registration symbol or service mark symbol should appear the word Mark. Any subsequent uses of the word Mark can either continue to be in all capital letters or initial capital letters (*i.e.*, Sustainable Forestry Initiative).
 - C. When using the marks "Sustainable Forestry Initiative (SFI)", "Sustainable Forestry Initiative" or "SFI", the words "program" or "services" should immediately follow after the Mark. The reason for this is that a trademark may not be a noun. It must be an adjective. Do not use the mark in the plural or the possessive.
3. When using the Logo, please adhere to the following rules:
 - A. The Logo has no specific color designation and therefore, any one color may be used in the presentation of the Logo, provided that such color is sufficient to distinguish the Logo from the background.
 - B. The Logo font is Univers Condensed Bold. The Logo may not be recreated using any other fonts or styles of these fonts. The font sizes must remain in the same proportions as shown above with respect to the Logo.
 - C. The Logo must be used as it appears above, or in reverse, and cannot be altered in any other way.
 - D. The official ink color of the Logo is Pantone® (PMS) 348—dark green. Use of the Logo is not restricted to PMS 348 or any other shade of green.
 - E. The Marks must always be accompanied by the SFI Implementation Committee's SFI label ID number. The SFI label ID number shall be added under the Mark.
4. Individual members ("Members") of the SFI Implementation Committees are not allowed to use any of these Marks. The Marks are for the use of each SFI Implementation Committee as a group only.

Sustainable Forestry Initiative, Inc.

5. The SFI Implementation Committees may use any of these Marks on stationery, brochures, educational material and promotional material, such as bumper stickers and hard hat stickers. The Marks may not be used in conjunction with the sale of a member's products or services or in conjunction with a Member's name or logo. In the event the SFI Implementation Committee wishes to list its Members on a document which includes the marks, the Committee must denote which members are "SFI Participants" and which members are "SFI Supporters", as these terms as defined in the Memorandum of Understanding between SFI Inc. and the SFI Implementation Committee.
6. The Marks may not be used on any product, to promote any product, in any sales brochure, or in any other manner that may create the impression that the SFI Implementation Committee's products or services provide an environmental benefit because of participation in the SFI program.
7. SFI Inc. reserves the right to request samples of use of the Marks from time to time. SFI Inc. has the right to disapprove the use of a Mark, whereupon the SFI Implementation Committee shall immediately discontinue such use of the Mark.
8. If SFI Inc. determines a SFI Implementation Committee is not using the Marks as provided in these rules, SFI Inc. will furnish the Committee with written notice specifying the inappropriate use(s) and allowing the Committee thirty (30) days in which to make a correction. Failure of the Committee to make the correction will result in revocation of the right to use the Marks.
9. In the event a SFI Implementation Committee or any of its members should observe misuse of any of these Marks, the Committee or the member shall immediately report such improper use to the SFI Inc. legal department.
10. The SFI Implementation Committee Chairperson is responsible for compliance with the above rules.

EXHIBIT C

**RULES FOR USE OF SFI INC. OWNED MARKS BY
SFI IMPLEMENTATION COMMITTEE SUPPORTERS**

The Sustainable Forestry Initiative, Inc. (SFI Inc.) is the owner of the following service marks:

SUSTAINABLE FORESTRY INITIATIVE® (SFI)

Registered Mark

SUSTAINABLE FORESTRY INITIATIVE®

Registered Mark

SFI®

Registered Mark

SFI Inc. owns all right, title and interest in the foregoing marks and exercises legitimate control over the use of these marks (collectively the "Marks", and individually a "Mark").

The SFI Implementation Committee Supporters ("Supporter") shall use the Marks strictly in accordance with the following conditions and limitations:

1. Supporter may claim, in the body of a **letter, brochure or annual report**, that it supports the SFI Inc.'s SUSTAINABLE FORESTRY INITIATIVE program.
2. Supporter shall not mention the SFI program or use either of the Marks as a part of Supporter's letterhead or advertisements.
3. Any and all mention of the "SUSTAINABLE FORESTRY INITIATIVE®" or "SFI®" marks MUST include the word "program" after the mark. Each use of the Marks must be individually accompanied by the "®" and must include acknowledgement of SFI Inc.'s ownership of the Mark. (Example: "X Company is a proud supporter of the Sustainable Forestry Initiative's SUSTAINABLE FORESTRY INITIATIVE® program." Or "We support SFI Inc.'s SFI® program." All references to either SFI or SUSTAINABLE FORESTRY INITIATIVE should also include, on the same page, the following statement: "(SFI) (SUSTAINABLE FORESTRY INITIATIVE) is/are registered marks of the Sustainable Forestry Initiative, Inc.")
4. The mention or use of "SUSTAINABLE FORESTRY INITIATIVE" or "SFI" marks shall *not* be used in conjunction with the sale of a Supporter's products or services or in conjunction with a Supporter's name or logo.
5. The Marks shall *not* be used on any product, to promote any product, in any sales brochure, or in any other manner that may create the impression that Supporter's products or services provide an environmental benefit because of its support of the SFI program.
6. SFI Inc. reserves the right to request samples of Supporter's use of the Marks from time to time. The SFI Implementation Committees shall obtain annual samples of the use of the Mark by

Sustainable Forestry Initiative, Inc.

Supporters and shall forward those samples to SFI Inc. upon request. SFI Inc. has the right, at any time to disapprove the use of a mark, whereupon the SFI Implementation Committees shall ensure that the Supporter immediately discontinues such use of the Mark..

7. In the event a SFI Implementation Committee or any of its members should observe misuse of any of these marks by a Supporter, or use of the marks by a non-Supporter, the SFI Implementation Committee or the member shall immediately report such improper use to the SFI Inc. legal department.
8. If SFI Inc. determines that a Supporter is not using the marks as provided in these rules, SFI Inc. will furnish the Supporter with written notice specifying the inappropriate use(s) and allowing the Supporter thirty (30) days in which to make a correction. Upon request by SFI Inc., the SFI Implementation Committee shall furnish such written notice to the Supporter. Failure of the Supporter to make the correction will result in SFI Inc.'s enforcement of its rights in the Marks, and may result in revocation of the SFI Implementation Committee's right to use the Marks.

Appendix III

SFI Implementation Committee Governance and Structure White Paper

Background

SFI Implementation Committees (SICs) provide a strong foundation for the SFI program and make important contributions in assuring SFI Standard conformance and SFI program recognition at the local level. The state, provincial and regional SICs are semi-autonomous committees reflecting significant geographic and organizational diversity. This flexible, grassroots infrastructure is a fundamental strength of the SFI program and demonstrates our goal to promote responsible forestry across all forest ownerships.

The SIC mission statement is: "SFI Implementation Committees (SICs) are an integral part of the SFI program and play a vital role in promoting training and landowner outreach, maintaining integrity of the SFI program and supporting and promoting responsible forestry and the SFI program at local levels."

All SFI program participants owning and/or operating forest product facilities, owning and/or managing forestland, or procuring fiber are required to participate in the SICs in each jurisdiction where they have significant operations, i.e. significant forestland owned and/or fiber procured. However, participation is not limited to these areas and participation in multiple committees is encouraged by SFI Inc. As such, SICs are to provide reasonable access to any SFI program participant who wishes to participate in the committee. Additionally, SICs are encouraged to diversify committee composition beyond SFI program participants. Currently, there are 948 committee members across all SICs, with 61% representing SFI program participants and 39% representing community groups, including conservation organizations, academia, loggers, local forest products companies and public agencies. SICs should seek to involve forest products companies, non-industrial landowners, family forest landowners, representatives from the state/provincial forestry association, the state/provincial forester's office, forestry colleges and universities, professional loggers, the Agricultural Extension Service, technical education centers, conservation groups, community groups and other stakeholders.

Additionally, SICs should be independent, SFI-focused committees with legal oversight and staff support provided by existing industry-supported infrastructure, where possible. Contracting with state or provincial associations may be a cost effective option for avoiding the duplication of support services. Each SIC must have bylaws or a charter formalizing the SFI-specific focus of the committee and the leadership role of SFI program participants. Bylaws and/or charters should include the SIC's decision-making process, noting all issues should be resolved at the local level. If an issue cannot be resolved at the local level, the SIC should contact SFI Inc. for additional assistance in resolving the issue.

Issue:

Currently, many SICs are operated in conjunction with their state/province's forestry association to save costs and avoid duplication of support services. Some associations provide administrative and financial/accounting type assistance, while others provide complete oversight and/or a paid staff member devoted to the committee.

SFI Inc. recently learned there may be some instances where forestry association membership and SIC participation is becoming an issue where the SIC is housed within the association. In the SIC Governance document (attached), SFI Inc. reiterates the purpose and goals of SICs including reasonable access by program participants. SFI Inc. also encourages SICs and program participants to come to a reasonable solution at the local level for all issues. While SFI Inc. encourages all SICs to address issues at the local level, if a satisfactory solution is not reached, the SIC is requested to seek input/guidance from SFI Inc. At the request of an SIC and program participant, SFI Inc. convened a small, ad-hoc committee to develop guidance and best practices for SICs and program participants struggling with governance and structure issues. Further guidance and best practices follows below.

SIC Guidance and Best Practices:

SFI Inc. values its relationship with SICs and forestry associations. Forestry associations serve as a forum for dialogue and cooperation, while also providing support to the local forest and paper products industry on

Sustainable Forestry Initiative, Inc.

government relations and issue advocacy. SFI Inc. is aware of various ways SICs are structured and governed, and appreciate the choices SICs have made at the local level to address SIC requirements, including but not limited to, landowner outreach, logger training and education, government relations, issue advocacy and administrative support.

SIC leadership has the ability to structure and govern the local committees in a manner most appropriate to their state, province or region. All SICs are required to ensure reasonable access to participation in the SICs by SFI program participants. For those committees overseen by the state/provincial forestry association, some associations require the SFI program participant to be a member of the association to participate on the SIC, while others only require the SIC member to pay a small fee to participate on the committee which covers committee related costs. SFI Inc. also encourages SICs to maintain their current operating structure, if there are no current issues and the structure is working well.

In addition to the guidance provided in the current SIC Governance document (attached), the SIC Governance and Structure Ad-hoc Committee recommends the following guidance and best practices¹⁴ to ensure effective and efficient SFI Implementation Committee administration for committees struggling with these issues.

SIC Operating Structure			
No.	Guidance and Best Practices	New Guidance developed in May 2011	Reference to SIC Governance Document or SFI 2010-2014 Standard
I.	<p>The SIC should determine the best operating structure available to them. Some options include:</p> <ul style="list-style-type: none"> A. Organize within an existing forestry association with full support on legal, accounting and staffing provided; <ul style="list-style-type: none"> i. SIC remains a formal committee of the forestry association without membership requirement for SIC representatives, and forestry association charges the SIC for actual services rendered; or ii. SIC remains a formal committee of the forestry association, however the forestry association modifies the membership requirement for all SIC representatives and develops a reasonable fee structure allowing for non-members of the forestry association to participate in the SIC. B. Organize as semi-autonomous structure with administrative support from existing forestry association (e.g., accounting) and SIC pays for actual services rendered; or C. Organize as autonomous or fully independent, with SFI participants, committee members and/or service contractors providing all committee oversight. <p><i>Please note: SFI Inc. encourages SICs to maintain their current operating structure, if there are no current issues and the structure is working well.</i></p>	√	Section: Structure. V.

¹⁴ The recommended best practices #III-VIII are the elements all SIC operating structures and governance documentation should address specifically.

Sustainable Forestry Initiative, Inc.

SIC Administration			
No.	Guidance and Best Practices	New Guidance developed in May 2011	Reference to SIC Governance Document or <i>SFI 2010-2014 Standard</i>
II.	The SIC should develop operating structure & governance documentation including, but not limited to: A. Maintain/Develop SIC Bylaws and/or charter, as required by SFI Inc.;; B. MOU between SIC and SFI Inc.; and C. MOU between SIC and state forestry association, for those committees seeking support from associations.	√	Section: Structure. I. Section: SIC Organization
III.	The SIC shall provide reasonable access to the SIC for all SFI program participants and supporters, including but not limited to, open participation among interested stakeholders, fair and equitable dues assessment, etc.		Section: SIC Organization
IV.	The SIC should maintain full budget oversight, transparency & accountability for all SIC-generated funds and sponsored programs.		Section: Funding
V.	If a SIC chooses to organize as an incorporated, non-profit entity, the SIC should be aware of various legal requirements associated with such a venture. The SIC should seek legal counsel to assist with the incorporation process, including but not limited to, non-profit status registration, annual tax filings, etc.	√	Section: Structure. V

SIC Membership Roles & Responsibilities			
No.	Guidance and Best Practice	New Guidance developed in May 2011	Reference to SIC Governance Document or <i>SFI 2010-2014 Standard</i>
VI.	The SIC should develop committee leadership structure and responsibilities including roles for chair, vice-chair, secretary, treasurer and coordinator, if any.		Section: Structure. I.
VII.	The SIC should develop guidelines regarding committee member privileges including, but not limited to, committee member voting rights and decision-making processes.		Section: Structure. II.
VIII.	The SIC should develop a role for SIC participation by all interested stakeholders, including but not limited to forest products companies, non-industrial landowners, family forest landowners, representatives from the state/provincial forestry association, the state/provincial forester's office, forestry colleges and universities, professional loggers, the Agricultural Extension Service, technical education centers, conservation groups, and community groups.		<i>SFI 2010-2014 Standard.</i> Objective 17. Performance Measure 17.1.

Prepared by: Amy Doty, SFI Inc. Manager, Community Outreach